



# BOARD BULLETIN

October 19, 2012

## *Expenditure and Revenue Summary*

As of September 30, 2012, revenues during the three (3) month period from July-September were trending above the target percentage. The County's actual revenues through September 30 were at 39.5% of budget. At this same time last year, the County had received and booked 46.4% of its amended budget revenue. However, the County refinanced its jail debt last year and received loan proceeds which skewed the overall revenue figures. With this said, a more accurate performance benchmark may be FY 10-11. As of September 30, 2010, the County had collected 36.3% of its revenue budget.

The County's expenditures through September are trending slightly ahead of target at 28.3%. At this same time last fiscal year, the County had expended 35.9% of its amended budget. Again, last fiscal year does not provide a good benchmark given the jail debt refinancing. In FY 10-11, the County had expended 25.6% of the amended budget as of September 30.

The County's fund balance available for appropriation as of September 30 was at 42.04% of expenditures. Fund balance at this same time last fiscal year was at 33.04%. In FY 10-11, the fund balance as a percentage of expenditures as of September 30 was at 33.50%.

The County's General Fund cash position as of September, 2012 is \$5.05 million (25%) higher than it was as of September, 2011 and \$4.98 million (25%) higher than September, 2010.

As of September 30 (the last completed payroll period), approximately \$50,000 in lapse salary and leave without pay savings has been accrued. At fiscal year end, this savings will help offset lagging revenues and/or unanticipated expenditures.

Lastly, the County's group health and worker's compensation fund is trending ahead of the budget target. As of September 30, revenues exceeded expenditures by approximately \$419,089. At this same time last year, revenues exceeded expenses by \$238,712.

## *West Stanly Sewer Meeting Overview*

The initial meeting to review and develop a new wholesale sewer contract between Oakboro, Locust, Stanfield and Stanly County was held this past week. Several additional meetings have been scheduled every two (2) weeks through January 2013. The primary goal of the new contract is to create a more financially sustainable wastewater treatment model for all the jurisdictions involved. There will also be an emphasis on developing a contractual model that helps to stabilize rates to provide increased certainty for businesses and residential customers.

The initial meeting focused on the following points:

1. **Cost of the consultation and contractual framework design** – It was agreed the not to exceed cost of \$25,000 will be equally divided between all four (4) entities (\$6,250 each).
2. **Development of a basic cost allocation methodology** – The pros and cons of a cash-needs approach versus a utility approach were discussed. The cash needs approach is more aligned to a pay-as-you-go capital payment strategy. Meanwhile, the utility approach requires more intense accounting and places an emphasis on depreciation and ROI to fund capital investments. No decision regarding the desired method was made at the first meeting. However, the group did reach consensus on the need for a more transparent and formalized 5 and 10 year capital planning process.
3. **Operations and maintenance (O&M) costs** – The group reached consensus that a forward, budget based model of operations and maintenance expenses should be utilized. Further, a true-up of actual costs should be done shortly after the close of the fiscal year to ensure actual expenses are appropriately allocated to each entity based on flow volume. The process for identifying and allocating indirect expenses was tabled for future discussion.

## **Upcoming Meetings & Events**

<b>Regular Board Meeting</b>	Monday, October 22 7:00 PM Commons Meeting Room
<b>8<sup>th</sup> Congressional District – Federal Contracting Expo</b>	Wednesday, October 24 8:00 AM Agri-Civic Center